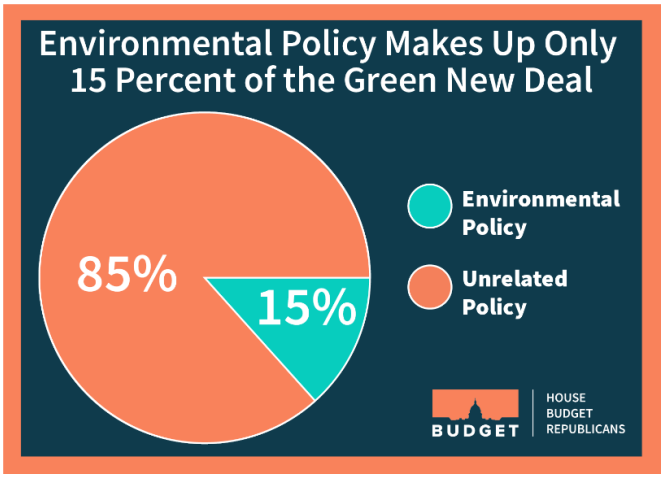
BUDGET BUSTERS | MARCH MINI SERIES

The Green New Deal, Part II

"engineered to be as expensive as possible"

Last week, House Budget Republicans examined the impact of the Green New Deal (GND) on our budget and on the American people. Positioned as a resolution to eliminate greenhouse-gas emissions, in actuality, the GND is a **"massive transformation of our society"**[1] that **"would do nothing to arrest greenhouse-gas emissions."**[2]



As the former Congressional Budget Office (CBO) Director Douglas Holtz-Eakin explained in a recent analysis,[3] **approximately 15 percent of the GND, or $12.3 trillion**, would be directed to policies affecting the environment, including a low-carbon electricity grid, a net-zero transportation system, and green housing initiatives.

The GND's Environmental Policies Are Unworkable & Costly. Removing fossil fuels in 10 years is not feasible. The GND aims to eliminate the use of fossil fuels and nuclear power, which today account for more than 80 percent of our nation's current power supply,[4] and fully transition to clean and renewable energy, which comprises about 17 percent of that power supply. Converting our power supply to 100 percent renewable energy in 10 years could cost **more than $5.7 trillion**, and average **household electricity bills could go up annually by nearly $300**.

Proponents of the GND claim that a clean-energy transportation system would make air travel "unnecessary" by transitioning to high-speed trains. That was not the case in California, which recently abandoned a plan to build a high-speed railroad between Los Angeles and San Francisco because it was estimated to cost $77 billion. On a national scale, the total cost of this massive infrastructure transformation could cost **more than $2.7 trillion**.

The proposal also calls for making all buildings energy efficient, which would require rebuilding or retrofitting more than 137 million housing units and more than 6 million commercial buildings, schools, and government offices that exist today. This reconstruction, in addition to modifications to any new projects, is estimated to cost **more than $4.2 trillion**.

Republican Solutions for Reducing Greenhouse-Gas Emissions. While one of the biggest energy producers, the United States is leading the world in reducing greenhouse-gas emissions.[5] In 2017, carbon emissions were the lowest they have been since 1992.[6] To continue that progress, Members of Congress should focus on promoting innovation and technological capabilities; investing in carbon capture, renewable hydropower, safe nuclear power, and energy storage; and encouraging research into these renewable sources.

Stay tuned for another Budget Buster examining this proposal in the weeks ahead.

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[1] https://www.heartland.org/_template-assets/documents/Green-New-Deal-FAQ-Fact-Sheet-Feb-7-2019.pdf.
[2] https://www.washingtonpost.com/opinions/want-a-green-new-deal-heres-a-better-one/2019/02/24/2d7e491c-36d2-11e9-af5b-b51b7ff322e9_story.html?noredirect=on&utm_term=.0255e216e4e2.
[3] https://www.americanactionforum.org/research/the-green-new-deal-scope-scale-and-implications/
[4] https://www.eia.gov/tools/faqs/faq.php?id=427&t=3.
[5] https://www.eesi.org/articles/view/u.s.-leads-in-greenhouse-gas-reductions-but-some-states-are-falling-behind
[6] https://www.eia.gov/totalenergy/data/monthly/archive/00351806.pdf